

The People's Treasury, The People's Business
Fiscal Year 2008 Report to the Citizens of Alabama

By Kay Ivey
December 16, 2008

At the end of this fiscal year 2008 (October 1, 2007 to September 30, 2008) and at this Thanksgiving and Christmas season, my staff and I are thankful for the opportunity to serve the people of Alabama. We enjoy the work of serving as the state's central banking and trust agency and we take the job seriously to be a responsible steward of the people's money.

And because it is our money, we the people matter. I am proud to report the State Treasury has made great strides for Alabama's stakeholders in 2008. We have successfully pushed through the Alabama Legislature a tax deduction of up to \$5,000 per taxpayer for contributions made to the Alabama Prepaid Affordable College Tuition (PACT) Program and to the Alabama Higher Education 529 Fund. This is a significant incentive for Alabama families to make saving for college a priority in their family budget.

Passage of this bill is a classic example of what can be accomplished when elected officials work with each other in a bipartisan manner instead of working at each other. Senator Zeb Little of Cullman and Representative Richard Lindsey of Centre sponsored this bill on behalf of the Treasury and on behalf of the thousands of Alabama families taking advantage of Alabama's college savings opportunities. Hats off to them for their assistance in this effort.

In the upcoming legislative session, I will again be asking the Legislature to allow the State to pay its bills electronically to save money rather than the costly practice of issuing paper warrants (checks). It is just another way that we can use current technology to bring efficiency to the operations of state government. We are finalizing the update on our business continuity plan so that we can assure the people of Alabama in the event of a disaster the State Treasury will, within 24 hours, continue to be able to conduct business.

In 2008, the State Treasury continued our partnership with the Auburn University College of Human Sciences Women's Philanthropy Board to promote our theme "Today's Decisions for Tomorrow's Money." Together, we conducted financial education events in Montgomery, Birmingham, Huntsville, and Auburn. We look forward to taking our traveling road show to other cities across Alabama in 2009 to empower citizens with information to help them better manage their personal finances.

Our Unclaimed Property Division set another record in 2008 by paying out over \$28 million in unclaimed property to over 24,000 individuals. This was the sixth consecutive year we have paid out more money than any other year. We hope to break that record again in 2009. I invite you to visit the unclaimed property section of the Treasury website, www.treasury.alabama.gov, and search our database for your name and the names of your family members. This program allows us to play Santa Claus year-round!

Attached to this report are four documents:

1. "Treasury by the Numbers" is a snapshot of the billions of dollars managed in the Treasury and the number of citizens we serve in our programs.
2. A two-page spreadsheet from the Comprehensive Annual Financial Report (CAFR) showing how much money came in to the state coffers in 2007 and which funds those dollars were deposited into.
3. A ten year historical review of the revenues into state government.
4. A four-page spreadsheet documenting how much money is on deposit in time deposit open accounts (bank CDs) in banks across the State of Alabama.

I hope you will always feel free to contact my office if we can provide you with additional information about these programs. Contact us at: Phone (334) 242-7500; Fax (334) 242-7592; E-mail alatreas@treasury.alabama.gov; Website www.treasury.alabama.gov.

“Treasury by the Numbers”

September 30, 2008

Table I

Cash Management

- \$132.4 million Deposited daily into treasury accounts
- \$763 million On deposit in time deposit open accounts (bank cds)
- \$450 million Invested in U.S. Treasury securities
- \$493 million Invested in repurchase agreements
- \$73.4 million Investment income generated by the treasury in FY08 for the General Fund
- 38 Bond issues we are currently paying principal and interest on debt service
- \$3.3 billion Bond indebtedness at end of FY08

College Savings Programs

- 51,557 Participants in the Prepaid Affordable College Tuition (PACT) Program
- 18,696 Number of students eligible to use PACT benefits to attend college
- \$605 million Total assets in the PACT Program
- 67,620 Participants in the Alabama Higher Education 529 Fund
- 11,304 Number of Alabamians investing in the Alabama Higher Education 529 Fund
- \$606.8 million Total assets in the Higher Education 529 Fund

Unclaimed Property

- \$329.3 million Total property waiting to be claimed by rightful owners
- \$56.6 million Received in new property in FY08
- \$28.3 million Amount paid out in claims in FY08
- 24,866 Claims paid in FY08

SAFE Program

- 178 Number of qualified public depositories
- 6,174 Public entities reported
- \$7.9 billion Public deposits collateralized through the SAFE Program
- \$8.9 billion Market value of pledged collateral

Alabama Trust Fund

- \$3.04 billion Trust Fund balance
- \$316 million Received in oil and gas royalties in FY08
- \$131.3 million Investment income generated in FY08
- \$38 million Distributed to cities and counties in FY08

STATE OF ALABAMA

SCHEDULE OF REVENUES BY PRINCIPAL SOURCES AND DISTRIBUTIONS OF REVENUES

Governmental Funds in State Treasury

Cash Basis, Transfers Excluded

For the Fiscal Year Ended September 30, 2007

(Amounts in Thousands)

	Total Revenues	Admin- istrative Expense	Net Revenues	Human Resources Funds	General Fund	Public School Fund	Education Trust Fund	Alabama Trust Fund
TAXES								
General Sales Tax	\$ 2,019,169	\$ 38,521	\$ 1,980,648	\$ 31,243	\$ 101,186	\$ 0	\$ 1,727,610	\$ 0
General Use Tax	264,667	3,341	261,326	500	1,188	-	257,348	-
Income Tax	3,428,864	36,262	3,392,602	-	-	-	3,392,602	-
Property Tax Relief	40,068	-	40,068	5,918	16,397	17,753	-	-
General Property Tax	270,641	1,197	269,444	40,450	102,119	126,875	-	-
Gasoline Taxes	412,717	12,555	400,162	-	-	-	-	-
Utilities Tax	408,925	7,469	401,456	-	-	-	386,856	-
Insurance Premium Tax	275,693	-	275,693	-	239,214	-	31,024	-
Liquor & Wine Tax	93,073	-	93,073	33,385	46,536	-	-	-
Tobacco & Cigarette Taxes	150,779	424	150,355	3,431	130,898	-	-	-
Corporation Taxes	68,364	-	68,364	3	31,646	-	-	-
State Beer Tax	55,770	-	55,770	11,154	16,731	-	22,308	-
Public Utilities	126,121	-	126,121	-	19,242	-	-	-
Motor Fuel Tax	154,225	2,560	151,665	-	-	-	-	-
Tennessee Valley Authority	107,310	-	107,310	-	-	-	-	-
Leasing/Renting Personal Property	70,502	-	70,502	-	70,502	-	-	-
Production Privilege Tax	138,912	-	138,912	-	109,244	-	-	-
Financial Institutions Excise Tax	51,345	582	50,763	-	20,022	-	-	-
Documentary Filing Taxes	83,238	-	83,238	-	83,238	-	-	-
Coal Severance Tax	6,479	-	6,479	-	-	-	-	-
Forestry Severance Tax	5,328	214	5,114	-	-	-	-	-
Inheritance Tax	600	-	600	-	600	-	-	-
Contractors Gross Receipts Tax	34,978	76	34,902	5,215	-	-	-	-
Lodgings Tax	44,925	12	44,913	-	32,336	-	-	-
Hydroelectric Companies	977	6	971	-	-	-	408	-
Lubricating Oil Tax	1,998	8	1,990	-	666	-	-	-
Pari-mutuel Betting	2,968	-	2,968	-	2,968	-	-	-
Court Cost Taxes	33,017	-	33,017	-	9,412	-	-	-
Medicaid Provider Taxes	57,724	119	57,605	-	-	-	-	-
Cellular Telephone Tax	101,057	-	101,057	-	65,059	-	34,778	-
Ground Materials Severance Tax	5,945	-	5,945	-	-	-	-	-
Hazardous Waste	-	-	-	-	-	-	-	-
Miscellaneous Taxes	8,579	-	8,579	44	3,569	93	-	-
TOTAL TAXES	8,524,958	103,346	8,421,612	131,343	1,102,773	144,721	5,852,934	0
LICENSES AND FEES								
Conservation Licenses	23,103	-	23,103	-	-	-	-	(38)
Drivers Licenses and Fees	49,321	-	49,321	-	32,786	-	-	-
Petroleum Products Inspection Fee	60,726	-	60,726	-	-	-	-	-
Agricultural License and Fees	10,300	-	10,300	-	-	-	-	-
Wholesale Oil Company License	6,113	-	6,113	-	6,113	-	-	-
Motor Vehicle License	166,619	1,034	165,585	-	41,545	-	-	-
Privilege License	71,611	1,103	70,508	-	10,583	-	553	-
Court Fees	69,943	-	69,943	-	52,248	-	-	-
Alcoholic Beverage Licenses	2,270	-	2,270	-	2,270	-	-	-
Insurance Corp Licenses and Fees	1,153	-	1,153	-	571	-	(31)	-
Miscellaneous License and Fees	155,263	167	155,096	693	4,347	-	53	-
TOTAL LICENSES AND FEES	616,422	2,304	614,118	693	150,463	0	575	(38)
FINES AND FORFEITS								
Court Fines and Forfeits	32,854	-	32,854	-	22,878	-	-	-
Tobacco Settlement	98,969	-	98,969	-	-	-	-	-
Miscellaneous Fines and Forfeits	10,643	20	10,623	-	1,214	-	42	-
TOTAL FINES AND FORFEITS	142,466	20	142,446	0	24,092	-	42	0
INVESTMENT INCOME	378,597	-	378,597	99	136,755	-	-	182,352
FEDERAL REVENUES	6,566,902	1,750	6,565,152	1,011,671	69	-	7	-
Disproportionate Public Hospital	656,520	-	656,520	-	-	-	-	-
Miscellaneous Revenues	637,411	4,415	632,996	9,143	11,128	353	432	256,106
TOTAL REVENUES	\$ 17,523,276	\$ 111,835	\$ 17,411,441	\$ 1,152,949	\$ 1,425,280	\$ 145,074	\$ 5,853,990	\$ 438,420

Source: State of Alabama Comprehensive Annual Financial Report
FY2007

Distributed To Local Government	Debt Service Funds	Medicaid	Transportation Department	Health General & Mental	Education Department	Economic & Community Affairs	Other	Distribution of Other Amounts
\$ 4,249	\$ 111,360	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,000	Conservation Dept.
-	-	-	-	-	-	-	2,290	Conservation Dept.
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
178,146	-	-	217,668	-	-	-	4,348	Conservation 3.7M
-	-	-	-	14,600	-	-	-	-
-	-	-	-	4,525	-	-	930	Insurance Dept
-	-	-	-	13,152	-	-	-	-
681	3,600	-	-	8,349	-	-	3,396	State Parks
36,113	-	-	-	-	-	-	602	Secretary of State
5,577	-	-	-	-	-	-	-	-
-	-	-	-	106,879	-	-	-	-
2,691	-	-	148,974	-	-	-	-	-
89,482	17,828	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
29,668	-	-	-	-	-	-	-	-
30,741	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
3,977	-	-	-	-	-	-	2,502	State Port Authority
-	-	-	-	-	-	-	5,114	Forestry
-	-	-	-	-	-	-	-	-
-	-	-	-	29,687	-	-	-	-
1,764	-	-	-	563	-	-	10,813	Tourism & Travel
-	-	-	-	-	-	-	-	-
728	-	-	596	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	3,107	-	20,498	Fair Trial Fd 17.7M
-	-	57,605	-	-	-	-	-	-
-	1,220	-	-	-	-	-	-	-
5,945	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
268	-	-	43	-	-	-	4,562	Industrial Relations 4.4M
390,030	134,008	57,605	367,281	177,755	3,107	0	60,055	
-	-	-	-	-	-	-	23,141	Conservation
-	-	-	-	-	-	(262)	16,797	Public Safety
9,881	-	-	47,826	-	-	-	3,019	Agriculture
-	-	-	-	-	-	-	10,300	Agriculture
-	-	-	-	-	-	-	-	-
24,183	-	-	98,337	-	-	-	1,520	-
-	-	-	4,195	2,821	1,573	-	50,783	Prof & Occup Bds 27.7 M
-	-	-	-	153	-	-	17,542	AOC 8.8M; DPS 3.6; DFS 2.9
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	613	Insurance Dept
-	-	-	772	43,657	-	18	105,556	ADEM 57.5M; PSC 13; Bank 10.1
34,064	0	0	151,130	46,631	1,573	(244)	229,271	
-	-	-	-	-	-	1,755	8,221	Forensics 2.6M
-	-	-	-	-	-	-	98,969	21st Century Fund
1	-	1,803	-	19	1	-	7,543	-
1	0	1,803	0	19	1	1,755	114,733	
-	3,432	207	2,652	11	-	669	52,420	-
2,356	-	3,091,090	725,275	357,499	783,188	173,406	420,591	Rehab 75M; EMA 72; DIR 52
-	-	656,520	-	-	-	-	-	-
(261)	3,698	71,263	55,791	60,887	11,603	5,043	147,810	DOC 18; Cons 32; Uncl Prop 56
\$ 426,190	\$ 141,138	\$ 3,878,488	\$ 1,302,129	\$ 642,802	\$ 799,472	\$ 180,629	\$ 1,024,880	

STATE OF ALABAMA**REVENUES BY SOURCE**

Cash Basis, Transfers Excluded

For the Fiscal Year Ended September 30, 2007

(Amounts in Thousands)

Revenue Source	2007	2006	2005	2004	2003
Taxes	\$8,524,958	\$8,194,669	\$7,497,533	\$6,714,946	\$6,233,934
Licenses, Permits, and Fees	616,422	608,739	525,603	490,490	463,226
Fines, Forfeits and Settlements	142,466	135,571	148,449	142,491	180,853
Investment Income	378,597	317,396	223,410	135,408	137,099
Federal Revenues	6,566,902	6,478,252	6,216,968	5,573,542	5,557,760
Other Revenues	1,293,931	1,196,396	1,060,395	1,056,949	1,396,958
Total Revenues	\$17,523,276	\$16,931,023	\$15,672,358	\$14,113,826	\$13,969,830

Revenue Source	2002	2001	2000	1999	1998
Taxes	\$ 6,042,357	\$ 5,967,233	\$ 6,025,169	\$ 5,724,473	\$ 5,468,267
Licenses, Permits, and Fees	465,333	442,174	452,505	417,688	407,070
Fines, Forfeits and Settlements	154,579	194,579	109,068	30,955	31,882
Investment Income	186,696	177,607	167,675	150,767	64,918
Federal Revenues	5,117,476	4,681,407	4,257,527	3,831,944	3,583,895
Other Revenues	1,414,802	1,226,699	1,150,661	1,133,681	1,025,316
Total Revenues	\$ 13,381,243	\$ 12,689,699	\$ 12,162,605	\$ 11,289,508	\$ 10,581,348

Compiled from the Comprehensive Annual Financial Reports (CAFR) for Fiscal Years 1998 through 2007.
The CAFR for FY2008 will be available in the spring of 2009.

Table IV

State time deposits held by qualified public depositories		
As of September 30, 2008		
Bank	Headquartered	State Deposits
		9/30/2008
Alabama Exchange Bank	Tuskegee	355,000
Aliant Bank	Alexander City	3,508,000
Amerifirst Bank	Union Springs	8,333,000
Ameris Bank	Dothan	1,000,000
Auburn Bank	Auburn	10,900,000
BancorpSouth	Tupelo, MS	33,733,400
Bank Independent	Sheffield	8,415,000
Bank of Brewton	Brewton	1,010,000
Bank of Dadeville	Dadeville	3,410,000
Bank of Evergreen	Evergreen	500,000
Bank of Moundville	Moundville	5,500,000
Bank of Tuscaloosa	Tuscaloosa	6,000,000
Bank of Vernon	Vernon	2,000,000
Bank of Walker County	Jasper	1,250,000
Bank of Wedowee	Wedowee	910,000
Bank of York	York	430,000
Banksouth	Dothan	4,985,000
BankTrust	Mobile	13,543,000
BankTrust	Selma	4,106,000
Bay Bank	Theodore	1,000,000
Branch Bank & Trust	Winston-Salem, NC	725,000
Brantley Bank & Trust Company	Brantley	1,415,000
Bryant Bank	Tuscaloosa	1,000,000
Cadence Bank	Starkville, MS	1,605,000
Camden National Bank	Camden	1,500,000
Capital South Bank	Fultondale	6,030,000
Capstone Bank	Tuscaloosa	2,805,000
CB&T of East Alabama	Phenix City	4,500,000
Central St Bank	Calera	1,705,000
Century Bank	Lucedale, MS	1,035,000
CharterBank	West Point, GA	1,005,000
Cheaha Bank	Oxford	4,000,000
Citizens Bank	Geneva	2,925,000
Citizens Bank	Greensboro	1,000,000
Citizens Bank	Moulton	1,000,000
Citizens Bank	Robertsdale	4,235,000
Citizens Bank	Enterprise	1,500,000
Citizens Bank & Savings Company	Russellville	18,530,000
Citizens Bank & Trust	Guntersville	1,000,000
Citizens Bank of Fayette	Fayette	1,000,000
Citizens Bank of Winfield	Winfield	13,000,000
Citizens State Bank	Vernon	1,821,500
Citizens Trust Bank	Atlanta, GA	14,183,000
City Bank of Hartford	Hartford	1,000,000

Colonial Bank	Montgomery	40,000,000
Commercial Bank	Ozark	1,000,000
Commonwealth National Bank	Mobile	2,000,000
Community Bank & Trust of Alabama	Union Springs	2,000,000
Community Bank & Trust of Southeast Alabama	Enterprise	2,250,000
Community Spirit Bank	Red Bay	600,000
Compass Bank	Birmingham	40,000,000
Covenant Bank	Leeds	1,250,000
Covington County Bank	Andalusia	3,815,000
Cullman Savings Bank	Cullman	1,000,000
DeKalb Bank	Crossville	1,233,000
Escambia County Bank	Flomaton	1,000,000
EvaBank	Eva	4,000,000
Exchange Bank of Alabama	Altoona	4,040,000
Farmers & Merchants Bank	Piedmont	530,000
Farmers & Merchants Bank	Waterloo	7,385,000
Farmers & Merchants Bank of Centre	Centre	1,000,000
Farmers & Merchants Bank of Lafayette	Lafayette	6,572,500
Farmers Exchange Bank	Louisville	2,000,000
First American Bank	Birmingham	40,000,000
First Bank	Wadley	3,390,000
First Bank of Boaz	Boaz	3,900,000
First Bank of Linden	Linden	473,000
First Cahawba Bank	Selma	1,000,000
First Citizens Bank	Luverne	2,132,000
First Commercial Bank	Birmingham	2,820,000
First Commercial Bank - Huntsville	Huntsville	3,000,000
First Community Bank	Chatom	3,000,000
First Community Bank of Central Alabama	Wetumpka	3,000,000
First Federal Savings	Cullman	2,950,000
First Financial Bank	Bessemer	2,135,000
First Gulf Bank	Foley	2,000,000
First Jackson Bank	Stevenson	5,500,000
First Lowndes Bank	Fort Deposit	983,000
First Metro Bank	Muscle Shoals	2,250,000
First National Bank of Atmore	Atmore	1,120,000
First National Bank of Baldwin County	Foley	2,500,000
First National Bank of Brundidge	Brundidge	3,775,000
First National Bank of Central Alabama	Aliceville	2,218,000
First National Bank of Dozier	Dozier	1,640,000
First National Bank of Hamilton	Hamilton	9,679,000
First National Bank of Hartford	Hartford	1,120,000
First National Bank of Jasper	Jasper	8,500,000
First National Bank of Talladega	Talladega	8,431,000
First Southern State Bank	Stevenson	5,500,000
First State Bank of Clay County	Lineville	3,815,000
First State Bank of DeKalb County	Fort Payne	1,500,000
First State Bank of the South	Sulligent	6,195,000
First Tuskegee Bank	Tuskegee	2,250,000

First United Security Bank	Thomasville	6,817,000
FNB Bank	Scottsboro	1,295,000
Frontier	LaGrange, GA	6,591,000
Headland National Bank	Headland	1,000,000
Hometown Bank of Alabama	Oneonta	1,000,000
Horizon Bank	Fyffe	4,000,000
Keystone Bank	Auburn	1,000,000
Liberty Bank	Geraldine	1,761,000
Marion Bank & Trust Company	Marion	11,080,000
Merchants & Farmers Bank of Greene County	Eutaw	1,000,000
Merchants Bank	Hanceville	1,500,000
Merchants Bank	Jackson	1,588,000
Metro Bank	Pell City	4,750,000
MidSouth Bank NA	Dothan	7,920,000
New South Federal Savings	Birmingham	6,000,000
Nexity Bank	Birmingham	1,000,000
Noblebank and Trust	Anniston	1,000,000
North Alabama Bank	Hazel Green	1,000,000
Peachtree Bank	Maplesville	351,000
Peoples Bank of Alabama	Cullman	3,000,000
Peoples Bank of Greensboro	Greensboro	1,555,000
Peoples Bank of Red Level	Red Level	215,000
Peoples Exchange Bank of Monroe Cty	Beatrice	895,000
Peoples Independent Bank	Boaz	3,180,000
Peoples South Bank	Columbia	5,100,000
Peoples Southern Bank	Clanton	745,000
Peoples State Bank	Grant	1,025,000
Peoples Trust Bank	Hamilton	1,250,000
Phenix-Girard Bank	Phenix City	5,130,000
Pinnacle Bank	Jasper	15,350,000
Premier Bank of the South	Cullman	2,000,000
PrimeSouth	Tallassee	2,450,000
Progress Bank and Trust	Huntsville	1,000,000
RBC Centura Bank	Raleigh, NC	2,500,000
Red Mountain Bank	Birmingham	1,250,000
Regions Bank	Birmingham	40,000,370
Reliance Bank	Athens	3,000,000
Renasant Bank	Birmingham	2,000,000
River Bank and Trust	Prattville	1,000,000
Robertson Banking Company	Demopolis	5,750,000
Samson Banking Company	Samson	1,315,000
Security Federal Savings	Jasper	2,000,000
ServisFirst Bank	Birmingham	1,500,000
Slocomb National Bank	Slocomb	4,485,000
Small Town Bank	Wedowee	2,975,000
SouthBank	Huntsville	1,000,000
Southern Bank	Gadsden	1,325,000
Southern Independent Bank	Opp	1,000,000
Southfirst Bank	Sylacauga	2,430,000

Southpoint Bank	Birmingham	1,250,000
State Bank & Trust	Winfield	1,990,000
State Bank & Trust Company	Geneva	1,125,000
Sterling Bank	Montgomery	7,055,000
SunSouth Bank	Dothan	3,465,000
SunTrust	Atlanta, GA	4,605,000
Superior Bank	Birmingham	13,885,000
Sweet Water State Bank	Sweet Water	2,500,000
Town-Country National Bank	Camden	1,000,000
Traders & Farmers Bank	Haleyville	12,943,000
Traditions Bank	Cullman	1,750,000
Trinity Bank	Dothan	1,000,000
Troy Bank & Trust Company	Troy	6,502,000
Union State Bank	Pell City	1,000,000
United Bank	Atmore	4,805,000
Valley State Bank	Russellville	5,250,000
Vantage Bank	Albertville	1,000,000
Vision Bank	Gulf Shores	4,250,000
Wachovia Bank	Charlotte, NC	40,000,000
West Alabama Bank & Trust Company	Reform	7,705,000
Whitney Bank	New Orleans, LA	4,096,750
Woodlands Bank	Bluffton, SC	1,000,000
	Total	763,114,520
Footnote: Banks headquartered out-of-state can qualify to be a state depository if the bank has a location in the State of Alabama. Deposits have a maturity date of three months, six months or one year, and the rate of interest is tied to the rate of U.S. Treasury obligations of corresponding maturity as required by the Code of Alabama, 1975, title 41 chapter 14.		